

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

March 19, 2015
6:30 p.m.

**Meeting Location: San Bruno City Hall, Conference Room 115,
567 El Camino Real, San Bruno**

In compliance with the Americans with Disabilities Act, individuals requiring reasonable accommodations or appropriate alternative formats for notices, agendas, and records for this meeting should notify us 48 hours prior to meeting. Please call the City Clerk's Office 650-616-7058.

1. Call to Order/Welcome

2. Roll Call

3. Approval of Minutes: February 19, 2015, Regular Board Meeting, and March 5, 2015, Special Board Meeting

4. Announcements

5. Board Member Comments

- a. President
- b. Others

6. Executive Director's Report

7. Consent Calendar: All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.

- a. Adopt Resolution Approving Payment of Invoice from the City of San Bruno Totalling \$141,031.00 to Reimburse City for SBCF Formation Costs It Incurred Between March 1, 2014, and January 31, 2015
- b. Adopt Resolution Approving Commercial General Liability, Non-Owned Hired Auto Liability, Property, Professional Liability, and Directors and Officers Liability

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

Insurance Policies from Philadelphia Insurance Companies for the Total Amount of \$13,821.00

- c. Adopt Resolution Approving Workers' Compensation Policy with State Compensation Insurance Fund for Total Estimated Annual Premium of \$1,836.00
- d. Adopt Resolution Ratifying Appointment of Ad Hoc Committee Charged with Developing Fiscal Policies and Procedures
- e. Adopt Resolution Ratifying Appointment of Ad Hoc Committee Charged with Preparing a Request for Proposals for Investment Services, Reviewing Proposals Received in Response to the Request for Proposals, and Making Recommendations Regarding Ongoing Oversight of Investment Services and Activities

8. Conduct of Business

- a. Receive and Approve Treasurer's Report
- b. Adopt Resolution Creating and Appointing Members to Ad Hoc Committee Charged with Developing Personnel Policies
- c. Adopt Resolution Appointing Audit Committee Members
- d. Adopt Resolution Adopting Fiscal Policies and Procedures

9. Study Session

- a. Receive and Discuss Report on Community Engagement Planning Process

10. Public Comment: Individuals are allowed three minutes, groups in attendance, five minutes. If you are unable to remain at the meeting, contact the President to request that the Board consider your comments earlier. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.

11. Adjourn

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

February 19, 2015

6:30 p.m.

**Meeting Location: San Bruno City Hall, Conference Room 115,
567 El Camino Real, San Bruno**

- 1. Call to Order/Welcome:** President Kraus called the meeting to order at 6:35 p.m.
- 2. Roll Call:** Board members Kraus, McGlothlin, Cohn, Bohm, and Hedley present. Board member Stanback Stroud arrived at 7:35 p.m. Board members Hedley and Roberts absent.
- 3. Approval of Minutes: January 15, 2015, Regular Board Meeting:** Board member Bohm moved to approve the minutes of the January 15, 2015, Regular Board Meeting, seconded by Board member Cohn and approved unanimously.
- 4. Announcements:** None.
- 5. Board Member Comments**
 - a. President: President Kraus congratulated and thanked the new Executive Director for all the work she has done in just 14 days on the job.
 - b. Other: None.
- 6. Consent Calendar**
 - a. Adopt Resolution Designating Authorized Signatories on SBCF Bank Accounts and Establishing Check Signing Policy
 - b. Adopt Resolution Authorizing Establishment of Checking and Savings Accounts at Wells Fargo Bank, Authorizing Deposit of SBCF Operating Funds into Such Accounts, and Establishing Signatories on the Accounts
 - c. Adopt Resolution Establishing Expenditure and Contract Authority for the Executive Director
 - d. Adopt Resolution Authorizing the Executive Director to Execute an Agreement with Wells Fargo Bank to Establish SBCF Credit Card Account
 - e. Adopt Resolution Authorizing the Executive Director to Execute a Contract with Paychex for Payroll Services

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

- f. Adopt Resolution Authorizing the Executive Director to Execute an Agreement to Establish a 403(b)(7) Arrangement with Vanguard in Order to Offer a Qualified 403(b) Defined Contribution Retirement Plan to SBCF Employees
- g. Adopt Resolution Designating San Bruno City Hall as the Location for Posting Meeting Notices

The Board considered resolutions a, b, e, f, and g, in a single motion without discussion. Vice President McGlothlin moved to adopt these five resolutions, seconded by Board member Bohm, approved unanimously.

7. Conduct of Business

Treasurer Cohn asked for discussion of resolutions c and d of the Consent Calendar. After the Board received clarification from the City Attorney and the Executive Director, Vice President McGlothlin moved to adopt Resolution Authorizing Establishment of Checking and Savings Accounts at Wells Fargo Bank, Authorizing Deposit of SBCF Operating Funds into Such Accounts, and Establishing Signatories on the Accounts, seconded by Board member Bohm, approved unanimously.

Treasurer Cohn suggested that resolution d be amended to provide consistency with the check-signing requirements of resolutions a and b, by adding the following to the end of the resolution:

- (c) A particular transaction in excess of \$2,500.00 may not be split into multiple credit card charges to evade the prior written approval requirement of (b) above; and
- (d) No authorized credit card holder may make a credit card charge for which that person is the merchant payee.

Treasurer Cohn moved to adopt Resolution Authorizing the Executive Director to Execute an Agreement with Wells Fargo Bank to Establish SBCF Credit Card Account, as amended, seconded by Vice President McGlothlin, approved unanimously.

- a. Appoint Ad Hoc Committee Charged with Developing Fiscal Policies and Procedures

President Kraus appointed Vice President McGlothlin, Treasurer Cohn, and Board member Bohm to an Ad Hoc Committee charged with developing fiscal policies and procedures. Treasurer Cohn moved to approve the Committee, seconded by Vice President McGlothlin, approved unanimously.

- b. Appoint Ad Hoc Committee Charged with Preparing a Request for Proposals for Investment Services, Reviewing Proposals Received in Response to the Request for Proposals, and Making Recommendations Regarding Ongoing Oversight of Investment Services and Activities

President Kraus appointed Vice President McGlothlin, Treasurer Cohn, and Board member Hedley to an Ad Hoc Committee charged with preparing a request for proposals for investment

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

services, reviewing proposals received in response to the request for proposals, and making recommendations regarding ongoing oversight of investment services and activities. Treasurer member Cohn moved to approve the Committee, seconded by Vice President McGlothlin, approved unanimously.

8. Study Session

- a. Receive Presentation from the Executive Director and Conduct Study Session to Discuss Current and Future Planned Activities of the SBCF

Executive Director Hatamiya reviewed the San Bruno Community Foundation's Vision and Mission Statement, reported on her activities in her first three weeks in the position, and outlined a timeline for current and future planned activities of the SBCF, both administrative and programmatic.

9. Public Comment

Barry Marquardt of the Marine Corps Detachment, American Legion, Post #409, expressed concerns about SBCF's public image and invited Board members to the monthly Legion breakfast.

Marty Medina expressed concerns regarding possible actions the San Bruno Park School Board may take to cut costs and informed the Board of the activities of the San Bruno Park School District Parents Working Group.

City Treasurer John Marty commented on the timeline, presented by the Executive Director, for the development of an investment policy and the launch of an RFP process for investment advisors.

10. Adjourn: Board member Bohm moved to adjourn the meeting at 7:45 p.m., seconded by Vice President McGlothlin, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of March 19, 2015, by Secretary Emily Roberts and President Nancy Kraus.

Emily Roberts, Secretary

Nancy Kraus, President

SAN BRUNO

Community Foundation

Board of Directors

Nancy A. Kraus, *President* • John P. McGlothlin, *Vice President* • Emily Roberts, *Secretary* • Ben Cohn, *Treasurer*
Patricia Bohm • Frank Hedley • Regina Stanback Stroud
Leslie Hatamiya, *Executive Director*

MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Board of Directors

March 5, 2015
6:00 p.m.

Meeting Location:

San Bruno City Hall, Conference Room 101, 567 El Camino Real, San Bruno
Teleconference location for Board member Patricia Bohm:
Daly City Partnership, 725 Price Street, Daly City

- 1. Call to Order/Welcome:** President Kraus called the meeting to order at 6:01 p.m.
- 2. Roll Call:** Board members Kraus, McGlothlin, Cohn, and Hedley present. Board member Bohm participated by teleconference. Board members Stanback Stroud and Roberts absent.
- 3. Public Comment:** None.
- 4. Closed Session:** Conference with Real Property Negotiator pursuant to Government Code section 54956.8
Property: 901 Sneath Lane, Suite 209, San Bruno, CA
Agency Negotiator: Leslie Hatamiya
Negotiating Parties: San Bruno Community Foundation and San Bruno Office Associates, LLC
Under Negotiation: Price and terms of payment

There was no reportable action.

- 5. Adjourn:** Board member Hedley moved to adjourn the meeting at 6:16 p.m., seconded by Treasurer Cohn, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of March 19, 2015, by Secretary Emily Roberts and President Nancy Kraus.

Emily Roberts, Secretary

Nancy Kraus, President

SAN BRUNO

Community Foundation

Memorandum

DATE: March 16, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

At each regular Board meeting, I will provide an Executive Director's Report, which will highlight the San Bruno Community Foundation's activities since the last regular Board meeting.

Since the February 19, 2015, Board meeting, the Foundation has taken many significant steps in its efforts to develop into a well-governed, fully functioning nonprofit organization. In addition to the items the Board will be considering during the Consent and Business portions of the March Board meeting, these steps include:

1. Signing of Office Lease

In Closed Session on March 5, 2015, the Board discussed my negotiations with San Bruno Office Associates, LLC, regarding an office lease for 901 Sneath Lane, Suite 209, San Bruno, CA 94066, a 387-square foot office on the second floor. The Board authorized me to enter into a one-year lease agreement for the office suite, to begin on April 1, 2015, and end on March 31, 2016, with the monthly rental rate of \$909.45, by a vote of 5-0, with Board Members Roberts and Stanback Stroud absent.

On behalf of the Foundation, I submitted the signed lease and checks for the first month's rent and the security deposit (equal to one month's rent) to San Bruno Office Associates' leasing representative. On March 11, I received a copy of the fully executed lease agreement signed by San Bruno Office Associates, LLC. Once we provide a certificate of insurance naming San Bruno Office Associates, LLC, parent Company ATC Partners LLC, and property management firm Woodmont Real Estate Services LP as additional insureds, we will be able to take occupancy on April 1. I am in contact with the property manager regarding signage on our door and our listing in the building directory.

2. Financial Management

- a. Establishment of Bank Accounts at Wells Fargo

In accordance with the Board's authorization at its February 19 meeting, on February 21 President Nancy Kraus, Treasurer Ben Cohn, and I opened checking, payroll, and

SAN BRUNO

Community Foundation

Memorandum

savings accounts on behalf of the Foundation at Wells Fargo's San Bruno branch office. We each received debit cards, which are required to obtain online access to the Foundation's accounts.

b. Receipt of Initial Transfer of Funds from the City of San Bruno

After I notified the City Attorney that the Foundation had opened accounts at Wells Fargo, the City Treasurer initiated a wire transfer of \$491,031 from the City's custodial account, which was received in the Foundation's checking account on February 24.

c. Contracting with Paychex for Payroll Services

On February 24, President Nancy Kraus submitted the paperwork to contract with Paychex to provide our payroll services. On February 26, President Kraus authorized our first payroll run, and I received my first paycheck, covering the entire month of February, by direct deposit on February 27. Going forward, the Foundation is on a twice-a-month payroll schedule (the 15th and the last day of each month).

d. Hiring Accounting Consultant/Full Charge Bookkeeper

With the establishment of the Foundation's bank accounts and the receipt of the first transfer of funds from the City, bringing on board an accounting consultant to serve as a full charge bookkeeper became a top priority in late February. I drafted a job description for the role, which included accounting duties such as designing the Foundation's bookkeeping system consistent with its financial reporting and compliance needs and the full cycle of bookkeeping duties, including accounts payable, coding and entering vendor and expense invoices, processing payments, preparing bank deposits, and ensuring that all general ledger accounts are properly debited and credited. In particular, I was seeking an accounting professional with substantial experience handling the financial records of 501(c)(3) nonprofit organizations as well as experience helping nonprofits create and then implement their accounting and financial recordkeeping systems.

With limited time to search, I was able to secure the services of Frank Bittner, who has more than two decades of nonprofit accounting experience. He is currently the controller for California Rural Legal Assistance, a statewide legal services organization. Over the years, he has also served in an accounting/finance role with the California Bar Foundation, California Food Policy Advocates, Larkin Street Youth Center, Legal Aid Society of Alameda County, and SFSU Foundation.

With the assistance of City Attorney Marc Zafferano, I drafted a consulting agreement, which Mr. Bittner signed on February 25 and I countersigned on March 1. The agreement establishes that Mr. Bittner is an independent contractor (rather than an employee), to be paid at an hourly rate of \$80, and caps his total compensation during

SAN BRUNO

Community Foundation

Memorandum

the term of the agreement at \$23,760 (calculated at an average of 33 hours per month, although I expect his hours worked to be lower than this upper limit). The contract terminates on November 30, 2015, which allows Mr. Bittner to guide us through the close of the current fiscal year, our first audit, and the filing of this year's federal and state tax returns. By the conclusion of the contract term, we will have had ample time to establish – and adjust as necessary – our financial systems and will be able to reassess our accounting and bookkeeping needs. At that time, we can determine whether Mr. Bittner continues to fit our needs, or whether it would be appropriate to seek alternative accounting and bookkeeping arrangements.

Immediately upon signing the contract, Mr. Bittner began the process of setting up the Foundation's accounting and record-keeping systems. He has played a critical role in the development of the Fiscal Policies and Procedures that the Board will be considering at the Board meeting, with his expertise and experiencing helping shape our internal controls and other fiscal policies. He has prepared the first set of monthly financial reports, which are included in the Board meeting materials. I have added him as a payroll contact with Paychex, and he will be processing our payroll going forward. Most important, he has been a valuable sounding board and knowledgeable resource as we work to ensure that we properly safeguard the funds with which the Foundation has been entrusted.

e. Receipt of Wells Fargo Business Card

As authorized by the Board on February 19, I applied for a Wells Fargo business credit card on behalf of the Foundation. Due to the organization's lack of a credit history, Wells Fargo approved a \$5,000 credit limit. After one year of usage, we may request an increased credit limit. I received and activated the card on March 11.

f. Purchase of QuickBooks Online

Mr. Bittner and I discussed accounting software options for the Foundation. He recommended, and I agreed, that QuickBooks Small Business Essentials would be the best option at this time. The online version is reasonably priced (current six-month special for \$18.86 per month, \$26.95 per month after that), allows for up to three users to access our account, offers the same security and encryption as banks, and provides sufficient bookkeeping and reporting functionality for our needs. I have purchased a subscription to QuickBooks Online Small Business Essentials, and Mr. Bittner is now using the software to set up the Foundation's financial management systems.

SAN BRUNO

Community Foundation

Memorandum

3. Outreach to the City of San Bruno

a. Twice Monthly Meetings with the City Manager and City Attorney

President Kraus and I have set up a regular meeting schedule with City Manager Connie Jackson and City Attorney Marc Zafferano. We will meet with them on the second and fourth Thursdays of the month. These meetings will ensure regular communication with these key City staff members and are timed to provide a preview of that month's upcoming Foundation Board meeting and to debrief items discussed and decisions made at the previous Board meeting.

b. Introduction to the City Council

President Kraus and Vice President John McGlothin introduced me to the City Council at its February 24 meeting. I expressed my excitement at serving as the Foundation's first Executive Director, the seriousness with which the Board and I take our responsibility of making a significant and lasting impact in the community, and mentioned our plans to reach out into the San Bruno community to inform the development of our grant-making and investment strategies.

c. Individual Meetings with City Council Members

I have begun to meet individually with members of the City Council to introduce myself, share with them the Foundation's plans and timeline for 2015, and hear their thoughts on the Foundation. I have thus far met with Mayor Jim Ruane, Vice Mayor Michael Salazar, and Council Member Irene O'Connell. I am working on setting up meetings with Council Members Ken Ibarra and Rico Media.

d. Meeting with City Treasurer

On February 26, I met with City Treasurer John Marty. President Kraus and the City Manager also attended. We discussed the City's custodial account holding the PG&E settlement funds and the City Treasurer's investment management of the account.

e. Meeting with City Department Heads

On March 4, at the invitation of City Manager Connie Jackson I attended the standing meeting of the City's department heads. I introduced myself, shared the Foundation's plans and timeline for 2015, and asked them what ideas they have – or have heard from the community in their respective areas – for the types of projects the Foundation could support.

SAN BRUNO

Community Foundation

Memorandum

f. Presentations to City Boards and Commissions

As an outgrowth of my meeting with the City department heads, I have begun setting up appearances at upcoming meetings of the various City boards and commissions. On March 17, I will make brief comments before the Senior Citizens Advisory Board, and I am scheduled to appear at the Parks and Recreation Commission's April meeting.

4. Outreach to Community Groups

a. Presentation to San Bruno Lions Club

At the invitation of City Council Member and Lions Club member Ken Ibarra, I was the guest speaker at the San Bruno Lions Club's March 3 dinner meeting. I gave them a brief history of the Foundation's formation and an update on the Foundation's plans for 2015. The club expressed an interest in partnering with the Foundation on the many community service projects the club undertakes each year.

b. Introduction at San Bruno Rotary Club Meeting

I will join Board Members and Rotarians Frank Hedley and Dr. Regina Stanback Stroud at the March 18 lunch meeting of the San Bruno Rotary Club. I expect to introduce myself and make brief remarks.

5. Outreach to the Broader Philanthropic and Nonprofit Community

At the urging of Board Member Patricia Bohm, I attended a community "Voices" forum for San Mateo County nonprofit leaders hosted by the San Francisco Foundation, where I learned about the issues facing San Mateo County's nonprofit community and networked with staff from various nonprofit organizations.

I have also met with Nicole Taylor, former CEO of the East Bay Community Foundation and current CEO of Thrive Foundation for Youth, and with Isaac Stein, former chair of the Board of Trustees at Stanford University, to get their thoughts on grant-making, community engagement, and investment management services.

SAN BRUNO

Community Foundation

Memorandum

DATE: March 16, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Resolutions in the Consent Calendar for the March 19, 2015, Regular Board Meeting

For the March 19, 2015, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes five resolutions related to administrative and operational functions of the Foundation. This memo will provide background on all five resolutions.

DISCUSSION AND RECOMMENDATIONS

- a. Resolution Approving Payment of Invoice from the City of San Bruno Totaling \$141,031.00 to Reimburse City for SBCF Formation Costs It Incurred Between March 1, 2014, and January 31, 2015

On February 10, 2015, the San Bruno City Council adopted a resolution authorizing a transfer of funds to the Foundation totaling \$491,031 as the first installment of the \$68.75 million in settlement funds from Pacific Gas & Electric Company that the City has been holding in a custodial account. On February 19, the Foundation Board authorized the opening of Foundation bank accounts at Wells Fargo Bank, and on February 21, President Nancy Kraus, Treasurer Ben Cohn, and I opened checking, payroll, and savings accounts on behalf of the Foundation at Wells Fargo's San Bruno branch office. The City Treasurer initiated a wire transfer of \$491,031 from the City's custodial account, which was received in the Foundation's checking account on February 24.

Of the \$491,031 the City transferred to the Foundation, \$350,000 were designated for the Foundation's operational expenses, and \$141,031 were earmarked for reimbursement by the Foundation to the City for expenses the City incurred to support the Foundation's formation from March 2014 through January 2015.¹ The reimbursement amount includes approximately \$92,500 for experts involved in recruiting the executive director, performing a state-mandated compensation survey,

¹ The City's Irrevocable Trust is reimbursing the City for Foundation formation expenses it incurred through February 2014. The Trustee of the Irrevocable Trust has directed that any expenses incurred by the City for the Foundation after March 1, 2014, when the Foundation began holding its regular meetings, and submitted to the Trust for reimbursement should be repaid to the Trust by the Foundation. The City has not submitted any such expenses for reimbursement to the Trust.

SAN BRUNO

Community Foundation

Memorandum

and providing consulting advice on the formation of the Foundation. The reimbursement amount also includes approximately \$20,000 for directors and officers insurance, \$26,300 for outside counsel legal fees, and \$2,300 for staff time and supplies. On March 3, the City submitted to the Foundation Invoice #003857 totaling \$141,031 for reimbursement.²

Under the Fiscal Policies and Procedures document that is to be considered later in this Board meeting and the check-signing policy that the Board approved on February 19, payment by check of this invoice requires the signatures of two authorized signatories and does not require Board approval. However, due to the large size of the reimbursement sought and the fact that these expenses were incurred prior to the implementation of formal fiscal policies and procedures, I am bringing payment of this invoice to the Board for approval. As the Foundation aspires to be a good steward of the funds with which it has been entrusted, I believe it is prudent to seek Board approval of this first – and very significant – payment.

I recommend that the Board adopt the attached Resolution approving payment of the City's invoice for reimbursement.

- b. Resolution Approving Commercial General Liability, Non-Owned Hired Auto Liability, Property, Professional Liability, and Directors and Officers Liability Insurance Policies from Philadelphia Insurance Companies for the Total Amount of \$13,821.00

Thus far, the Foundation has obtained only one form of insurance, a one-year directors and officers (D&O) insurance policy from RSUI totaling \$19,950, which the Board approved on March 20, 2014. The policy took effect on March 21, 2014, and on April 17, 2014, the Board ratified its decision to bind the policy. The policy expires on March 21, 2015.

Now that the Foundation has hired an executive director, received the first installment of funds from the City of San Bruno, signed an office lease, and begun operations in earnest, it is important that the Foundation obtain a more extensive array of insurance coverage as part of its risk management efforts. To assess which types of insurance coverage make sense for the Foundation at this time, I contacted a broker at CalNonprofits Insurance Services, a subsidiary of the California Association of Nonprofits, of which the Foundation is a member. CalNonprofits Insurance Services specializes in providing insurance products that meet the needs of nonprofit organizations, and all of its clients are nonprofits. After discussing our risks, the broker and I determined that the Foundation should seek to bind commercial general liability

² The invoiced amount of \$141,031 incorrectly includes a double billing of \$98.56 for refreshments for the Executive Director interviews. The \$98.56 will be credited back to the Foundation's account in the City's next billing for reimbursement. Since January 31, the City has paid the final invoice to The 360 Group for consulting services, and a City staff member typed the minutes for the February 19, 2015, Foundation Board meeting.

SAN BRUNO

Community Foundation

Memorandum

(CGL), non-owned hired auto liability, property, and D&O insurance policies at this time.³ It is also important to note that the office lease the Foundation has signed requires proof of CGL insurance with limits of at least \$1,000,000 per occurrence and in the aggregate.

As background, CGL insurance provides protection for a wide range of acts or offenses that result in bodily injury, property damage, personal and advertising injury said to be caused by the Foundation or a Foundation employee. Non-owned hired auto liability insurance protects the Foundation from third-party claims for bodily injury and property damage caused by employees and volunteers driving personal autos or vehicles leased by the Foundation. Professional liability insurance protects against liabilities resulting from mismanagement of the organization. Auto and professional liability coverage are sometimes offered as a rider to, or part of, a CGL policy. Property insurance provides coverage for the physical assets the Foundation owns or leases such as office space, equipment, and furniture. Finally, D&O insurance provides coverage for damages resulting from the wrongful acts of the directors, officers, managers, and the Foundation as an entity, as well as coverage for employment-related actions.

For the CGL, Auto, and Property policies, the broker received proposals from the three insurance companies it primarily works with: Nonprofits Insurance Alliance Group (NIAC), Great American Insurance Group, and Philadelphia Insurance Companies. NIAC is a unique nonprofit risk pool that offers insurance coverage specifically tailored to nonprofits. According to our broker, Great American and Philadelphia are commercial insurance carriers that provide relatively favorable coverage and pricing to nonprofits.

NIAC's proposal for CGL, Auto, and Property policies has an annual premium of \$2,664. Great American's premium is \$1,092. Philadelphia's proposal, which also includes Professional Liability as part of its CGL coverage, is the least expensive of the three, at \$974. To summarize the Philadelphia policy coverage (with differences from the other proposals noted):

- General Liability Per Occurrence Limit: \$1,000,000
- General Liability Aggregate Limit: \$2,000,000
- Products/Completed Operations Aggregate Limit: \$2,000,000
- Personal & Advertising Injury Limit: \$1,000,000
- Medical Payments Limit: \$30,000 (compared with \$20,000 for NIAC and \$10,000 for Great American)
- Damages to Premises Rented Limit: \$1,000,000 (compared with \$500,000 for NIAC and \$300,000 for Great American)
- Non-Owned Hired Auto Liability Limit: \$1,000,000

³ We also recognized that the Foundation is required by law to obtain workers' compensation insurance, which will be covered in the next Resolution.

SAN BRUNO

Community Foundation

Memorandum

- Professional Liability: \$1,000,000 (not included with NIAC or Great American)
- Business Personal Property Liability Limit: \$25,000
- Property Deductible: \$500

Reviewing the costs and coverage, I recommend that the Foundation bind CGL, non-owned hired auto, and property policies with Philadelphia, which has the lowest premium and the most extensive coverage.

For D&O Liability coverage, the broker requested proposals from nine carriers. All but three declined to offer a proposal due to the nature of our operations of managing the City's settlement funds. NIAC (with three options), Great American, and Philadelphia are the three carriers that offered proposals. Again, Philadelphia offered the lowest premium (\$12,847, compared with \$15,480 for Great American and \$23,042, \$19,815, and \$18,894 for the three NIAC options) as well as the most extensive coverage:

- D&O Liability Limit: \$1,000,000
- Employment Practices Liability Limit: \$1,000,000 (which is not included in the current RSUI policy)
- D&O/Employment Practices Retention: \$25,000 (compared with \$0 and \$10,000 for two of the NIAC options)
- Defense Costs: Outside Limit (compared with Inside Limit for Great American and the current RSUI policy)

Because the Philadelphia proposal was significantly less expensive than the current RSUI policy (\$12,847 vs. \$19,650) with more extensive coverage, we did not seek a renewal proposal from RSUI.

Given the proposals offered, I recommend that the Board approve binding the D&O policy from Philadelphia.

If the Board approves the CGL, Auto, Property, Professional Liability, and D&O policies from Philadelphia, I will submit all the required paperwork on March 20 (the day after the Board meeting), and the policies will take effect on March 21 (the expiration date for the current D&O policy).

Given the size of the settlement funds the Foundation will eventually receive from the City, one additional form of insurance that it would be prudent for the Foundation to obtain is a crime (or fidelity) policy, which protects against employee dishonesty and theft. The applications for crime coverage typically asks about the organization's internal financial controls, so the broker and I decided that it would be best to wait until after the Board approved the Fiscal Policies and Procedures document that will be under consideration later in this meeting. Once they are approved, we will apply for a crime policy; I hope to be able to bring such a policy before the Board in April.

SAN BRUNO

Community Foundation

Memorandum

- c. Resolution Approving Workers' Compensation Policy with State Compensation Insurance Fund for Total Estimated Annual Premium of \$1,836.00

Workers' compensation provides benefits to employees who are injured or become ill during the course of or due to employment. In California, every employer is required by law to carry insurance to cover the cost of occupational injuries and illnesses. In addition, our office lease requires proof of workers' compensation liability coverage of at least \$1,000,000.

Our CalNonprofits Insurance Services broker requested workers' compensation proposals from four carriers. Three declined to offer a proposal due to having only one employee or the fact that I was working from home at the time the proposals were requested. The only proposal we received is from State Compensation Insurance Fund, which is a self-supporting, nonprofit enterprise that provides workers' compensation insurance to California employers. It is not uncommon for new nonprofits to go with State Fund in their first year of operations. Once we have had a year of continuous coverage in our new office location, we are likely to have more options available at our renewal date.

The State Fund proposal offers an employer's liability limit of \$1,000,000 and has an estimated annual premium of \$1,836. The premium is estimated because State Fund's pricing is based on the size of payroll (which is reported semi-annually), the classifications for each employee, and the individual risk characteristics of the business. The premium could change if our payroll changes (*i.e.*, we hire additional employees) before the policy term ends.

I recommend that the Board adopt the attached Resolution approving the workers' compensation insurance policy with State Fund.

- d. Resolution Ratifying Appointment of Ad Hoc Committee Charged with Developing Fiscal Policies and Procedures

At its February 19 meeting, the Board unanimously approved the appointment of Treasurer Ben Cohn, Vice President John McGlothlin, and Board Member Patricia Bohm to a newly created ad hoc committee charged with developing fiscal policies and procedures. I recommend that the Board adopt the attached Resolution ratifying that action.

- e. Resolution Ratifying Appointment of Ad Hoc Committee Charged with Preparing a Request for Proposals for Investment Services, Reviewing Proposals Received in Response to the Request for Proposals, and Making Recommendations Regarding Ongoing Oversight of Investment Services and Activities

SAN BRUNO

Community Foundation

Memorandum

At the February 19 meeting, the Board also unanimously approved the appointment of Treasurer Cohn, Vice President McGlothlin, and Board Member Frank Hedley to a newly created ad hoc committee charged with preparing a Request for Proposals for investment services, reviewing proposals received in response to the Request for Proposals, and making recommendations regarding ongoing oversight of investment services and activities. I recommend that the Board adopt the attached Resolution ratifying that action.

Attachments:

1. Resolution Approving Payment of Invoice from the City of San Bruno Totaling \$141,031.00 to Reimburse City for SBCF Formation Costs It Incurred Between March 1, 2014, and January 31, 2015
2. Resolution Approving Commercial General Liability, Non-Owned Hired Auto Liability, Property, Professional Liability, and Directors and Officers Liability Insurance Policies from Philadelphia Insurance Companies for the Total Amount of \$13,821.00
3. Resolution Approving Workers' Compensation Policy with State Compensation Insurance Fund for Total Estimated Annual Premium of \$1,836.00
4. Resolution Ratifying Appointment of Ad Hoc Committee Charged with Developing Fiscal Policies and Procedures
5. Resolution Ratifying Appointment of Ad Hoc Committee Charged with Preparing a Request for Proposals for Investment Services, Reviewing Proposals Received in Response to the Request for Proposals, and Making Recommendations Regarding Ongoing Oversight of Investment Services and Activities

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING PAYMENT OF INVOICE FROM THE CITY OF SAN BRUNO TOTALING
\$141,031.00 TO REIMBURSE CITY FOR SBCF FORMATION COSTS IT INCURRED
BETWEEN MARCH 1, 2014, AND JANUARY 31, 2015**

WHEREAS, the City of San Bruno incurred costs totaling \$141,031.00 related to the formation of the San Bruno Community Foundation;

WHEREAS, the Trustee of the City's Irrevocable Trust, which agreed to reimburse the City for Foundation-related formation costs prior to March 1, 2014, directed the City to seek reimbursement from the Foundation for all Foundation-related costs beginning March 1, 2014, when the Foundation's Board of Directors began holding regular meetings;

WHEREAS, on February 10, 2015, the San Bruno City Council adopted a resolution authorizing a transfer of funds totaling \$491,031.00 from the City's custodial account to the Foundation, with the understanding that \$141,031.00 of those funds would be used to reimburse the City for expenses it incurred to support the Foundation's formation since March 1, 2014; and

WHEREAS, the City has submitted to the Foundation an invoice (#003857) totaling \$141,031.00 seeking reimbursement for Foundation-related formation expenses.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves payment of the invoice from the City of San Bruno totaling \$141,031.00 to reimburse the City for Foundation Formation Costs it incurred between March 1, 2014, and January 31, 2015.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING COMMERCIAL GENERAL LIABILITY, NON-OWNED HIRED AUTO
LIABILITY, PROPERTY, PROFESSIONAL LIABILITY, AND DIRECTOR AND
OFFICERS LIABILITY INSURANCE POLICIES FROM PHILADELPHIA INSURANCE
COMPANIES FOR THE TOTAL AMOUNT OF \$13,821.00**

WHEREAS, as part of its risk management strategy, the San Bruno Community Foundation seeks a comprehensive set of insurance policies to protect against various liabilities it may face;

WHEREAS, commercial general liability insurance provides protection for a wide range of acts or offenses that result in bodily injury, property damage, personal and advertising injury said to be caused by the Foundation agency or a Foundation employee;

WHEREAS, non-owned hired auto liability insurance protects the Foundation from third-party claims for bodily injury and property damage caused by employees and volunteers driving personal autos or vehicles leased by the Foundation;

WHEREAS, property insurance provides coverage for the physical assets the Foundation owns or leases such as office space, equipment, and furniture;

WHEREAS, professional liability insurance protects against liabilities resulting from mismanagement of the organization;

WHEREAS, directors and officers liability insurance provides coverage for damages resulting from the wrongful acts of the directors, officers, managers, and the Foundation as an entity, as well as coverage for employment-related actions;

WHEREAS, the San Bruno Community Foundation's directors and officers liability insurance policy with RSUI expires on March 21, 2015;

WHEREAS, the Foundation's office lease requires commercial general liability insurance written on an "occurrence form" basis, with limits of not less than \$1,000,000.00 in the aggregate and for each occurrence; and

WHEREAS, the Philadelphia Insurance Companies has offered the Foundation a competitively priced package of insurance policies with sufficient coverage for the Foundation's operations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves commercial general liability, non-owned hired auto liability, property, professional liability, and directors and officers liability insurance policies from Philadelphia Insurance Companies for the total amount of \$13,821.00.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPROVING WORKERS' COMPENSATION POLICY WITH STATE
COMPENSATION INSURANCE FUND FOR TOTAL ESTIMATED PREMIUM OF
\$1,836.00**

WHEREAS, California law requires all employers to have workers' compensation insurance;

WHEREAS, the San Bruno Community Foundation has hired its first employee;
and

WHEREAS, State Compensation insurance Fund has offered the Foundation a reasonable workers' compensation package given the small number of Foundation employees.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the binding of a workers' compensation policy with State Compensation Insurance Fund for a total estimated premium of \$1,836.00.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
RATIFYING APPOINTMENT OF AD HOC COMMITTEE CHARGED WITH
DEVELOPING FISCAL POLICIES AND PROCEDURES**

WHEREAS, on February 19, 2015, the San Bruno Community Foundation Board discussed the need for an ad hoc committee to develop fiscal policies and procedures for the Foundation; and

WHEREAS, Board President Nancy Kraus appointed Treasurer Ben Cohn, Vice President John McGlothlin, and Board Member Patricia Bohm as members of said committee.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby ratifies the creation of the ad hoc committee charged with developing fiscal policies and procedures and the appointment of said Board members to the committee.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
RATIFYING APPOINTMENT OF AD HOC COMMITTEE CHARGED WITH
PREPARING A REQUEST FOR PROPOSALS FOR INVESTMENT SERVICES,
REVIEWING PROPOSALS RECEIVED IN RESPONSE TO THE REQUEST FOR
PROPOSALS, AND MAKING RECOMMENDATIONS REGARDING ONGOING
OVERSIGHT OF INVESTMENT SERVICES AND ACTIVITIES**

WHEREAS, on February 19, 2015, the San Bruno Community Foundation Board discussed the need for an ad hoc committee to prepare a request for proposals for investment services, review proposals received in response to the request for proposals, and make recommendations regarding ongoing oversight of investment services and activities; and

WHEREAS, Board President Nancy Kraus appointed Treasurer Ben Cohn, Vice President John McGlothlin, and Board Member Frank Hedley as members of said committee.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby ratifies the creation of the ad hoc committee charged with preparing a request for proposals for investment services, reviewing proposals received in response to the request for proposals, and making recommendations regarding ongoing oversight of investment services and activities and the appointment of said Board members to the committee.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

February 2015

Budget Narrative

This report describes the amounts in columns a (Actual Year to Date), d (Final Expected Amount), and e (Change in Budget) of the monthly Budget Report, for those lines having material activity or adjustment.

INCOME

Line 1 PG&E Settlement – Actual (\$491,031) is the amount received from the City of San Bruno on February 24, 2015. Additional amounts to be received or accrued this fiscal year are uncertain.

Line 2 Interest & Investment Income – Interest and/or investment income may be earned in final four months of the year, but the amount is uncertain.

EXPENSES

Line 4 Salaries & Wages – Executive Director was hired effective February 2, 2015. There are no additional new employees expected this fiscal year.

Line 5 Payroll Taxes & Benefits – Actual costs include: Social Security/Medicare (\$1,116); State Unemployment Insurance (\$245); accrued Paid Time Off (\$1,121); and accrued Retirement (\$729). Projection for year-end also includes estimated Workers' Compensation Insurance effective March 21, 2015.

Line 7 Grants & Assistance – The current expectation is that there will be no Grants or Assistance provided in the current fiscal year.

Line 8 Occupancy – Final Expected Amount (\$2,728) is rent for three months (April – June) per lease.

Line 9 Insurance – Actual (\$19,950) is amount spent by the City in April 2014 and is equal to the amount budgeted. Additional \$4,839 is for 100 days of coverage from March 21 to June 30, 2015. Premium cost for Crime policy is unknown and has been estimated at \$300 per month.

Line 10 Telecommunications – Actual cost includes SBCF domain name purchase (\$1,154) by the City and initial month charge for cell phone account (\$109). Final four month cost is \$75 per month for cell phone.

Line 14 Office Equipment & Furniture – Actual cost includes a laptop with accessories (\$1,846) and cell phone with accessories (\$112). Projection for year-end includes additional \$3,042 to purchase other equipment and furnishings for office.

Line 15 Legal Fees – Actual cost (\$26,275) was incurred by the City for organizational formation and start-up work. An additional \$10,000 has been projected for additional needs during final four months of the year.

Line 16 Auditor & Payroll Fees – Actual cost (\$165) is payroll service fees for February. Total projected for year (\$500) is for payroll fees only. Cost of financial statement audit for year ended June 30, 2015 will be recorded in the following fiscal year.

Line 17 Investment Consultant – The current projection is that an Investment Consultant will not be hired in the current fiscal year.

Line 18 Other Consultants - Actual costs (\$92,556) were incurred by the City for: formation and start-up work by Silicon Valley Community Foundation (\$7,732); Executive Director recruiting by the 360 Group (\$73,924); and Executive Director compensation consulting by Cotter & Associates (\$10,900). Additional \$40,000 projected for final four months is for strategic planning (\$30,000) and accounting/bookkeeping services (\$10,000).

Line 19 Travel, Meetings & Conferences – Actual costs were incurred by the City for clerical support taking minutes at Board meetings (\$675) and meeting refreshments and meals (\$377).

SUMMARY

During the current fiscal year, SBCF will be operational for only the final five months. The focus is to establish policies, procedures, financial control systems, and a physical office. 88% of expenses (\$141,031 out of \$161,058) shown in the February budget report were incurred by the City between April 2014 and January 2015.

The balance of funding, currently held in trust by the City, will likely be transferred during the next fiscal year, coinciding with the launching of SBCF's program expenditures.

SAN BRUNO

Community Foundation

February 2015 2014-2015 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Expected Amount	Change in Budget (d - b)
INCOME					
1 PG&E Settlement	\$ 491,031	\$ 70,088,703	0.7%	\$ 491,031	\$ (69,597,672)
2 Interest & Investment Income	-	4,906,209		-	(4,906,209)
3 Total Income	491,031	74,994,912		491,031	(74,503,881)
EXPENSES					
4 Salaries & Wages	14,583	195,000	7.5%	72,917	(122,083)
5 Payroll Taxes & Benefits	3,211	44,850	7.2%	15,316	(29,534)
6 Subtotal Personnel	17,794	239,850	7.4%	88,233	(151,617)
7 Grants & Assistance	-	3,504,435		-	(3,504,435)
8 Occupancy	-	26,000		2,728	(23,272)
9 Insurance	19,950	19,950	100.0%	24,789	4,839
10 Telecommunications	1,263	3,000	42.1%	1,563	(1,437)
11 Postage & Shipping	19	11,000	0.2%	1,000	(10,000)
12 Printing & Copying	-	35,000		1,000	(34,000)
13 Office Supplies	26	1,000	2.6%	1,000	-
14 Office Equipment & Furniture	1,958	15,000	13.1%	5,000	(10,000)
15 Legal Fees	26,275	150,000	17.5%	36,275	(113,725)
16 Auditor & Payroll Fees	165	6,107	2.7%	500	(5,607)
17 Investment Consultant	-	140,000		-	(140,000)
18 Other Consultants	92,556	170,000	54.4%	132,556	(37,444)
19 Travel, Meetings & Conferences	1,052	8,000	13.2%	2,000	(6,000)
20 Board Development	-	7,500		-	(7,500)
21 Subtotal Non-Personnel	143,264	4,096,992	3.5%	208,411	(3,888,581)
22 Total Expenses	161,058	4,336,842	3.7%	296,644	(4,040,198)
23 Net Surplus	\$ 329,973	\$ 70,658,070	0.5%	\$ 194,387	\$ (70,463,683)

SAN BRUNO

Community Foundation

Statement of Financial Position as of February 28, 2015

ASSETS

Cash, Wells Fargo General	\$ 403,531.00		
Cash, Wells Fargo Payroll	71,556.41		
Total Cash		<u>475,087.41</u>	
TOTAL ASSETS			<u>\$ 475,087.41</u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	143,098.50		
Accrued Expenses	894.15		
Accrued Employee PTO	1,121.45		
Total Liabilities		<u>145,114.10</u>	

NET ASSETS

Year to Date Net Income	329,973.31		
Total Net Assets		<u>329,973.31</u>	
TOTAL LIABILITIES & NET ASSETS			<u>\$ 475,087.41</u>

SAN BRUNO

Community Foundation

Memorandum

DATE: March 16, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Creation of Ad Hoc Committee Charged with Developing Personnel Policies

The San Bruno Community Foundation's ability to make effective use of the energy, time, and talents of its employees is essential to accomplish the Foundation's mission. As an employer, the Foundation has an obligation to adhere to all applicable employment laws and to provide a safe and productive work environment. Moreover, to ensure that we are able to attract and retain highly qualified employees who are committed to the Foundation's work, I believe the Foundation should place a high priority on exercising fair and equitable employment practices that are communicated clearly to all employees.

Now that the San Bruno Community Foundation has hired its first employee and may hire additional employees, the time has come for the Foundation to develop personnel policies, documented in an employee handbook, to establish the relationship between employees and the Foundation as employer and ensure compliance with applicable employment laws and regulations. These policies may cover such topics as work schedule, hiring procedures, compensation, payroll information, benefits, workers compensation procedures, and performance assessment procedures.

As a result, I recommend adoption of the attached resolution creating a new Board Ad Hoc Committee to be charged with developing the Foundation's personnel policies and appointing Vice President John McGlothlin and Board Member Regina Stanback Stroud to serve on this committee.

Attachment:

1. Resolution Creating and Appointing Members to Ad Hoc Committee Charged with Developing Personnel Policies

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
CREATING AND APPOINTING MEMBERS TO AD HOC COMMITTEE CHARGED
WITH DEVELOPING PERSONNEL POLICIES**

WHEREAS, the San Bruno Community Foundation greatly values its employees and seeks to provide a fair, safe, and productive work environment;

WHEREAS, the Foundation places a high priority on exercising fair and equitable practices that attract and retain qualified employees;

WHEREAS, the Foundation has an obligation to adhere to all applicable employment laws; and

WHEREAS, the Foundations desires to create an employee manual documenting its personnel policies.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby creates an Ad Hoc Committee charged with developing personnel policies and appoints Vice President John McGlothlin and Board Member Regina Stanback Stroud as committee members.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

Memorandum

DATE: March 16, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Appointment of Audit Committee Members

Article XIII, Section 4, of the San Bruno Community Foundation's Bylaws calls for an independent auditor to conduct annual independent audits of the Foundation's financial statements and records. Article VII, Section 5, establishes an Audit Committee consisting of at least two directors. The Audit Committee's duties include:

- Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary
- Negotiating the auditor's compensation
- Conferring with the auditor regarding the corporation's financial affairs
- Reviewing and accepting or rejecting the audit

The Bylaws stipulate that the President and Treasurer may not serve on the Audit Committee. Directors who are Foundation employees or officers or who receive any consulting, advisory, or other compensatory fees from the Foundation also may not serve on the Committee.

Because the Foundation has received its first installment of funds from the City of San Bruno's custodial account, we will need to conduct an audit for the 2014-2015 fiscal year. As a result, it is important that the Board of Directors appoint members to serve on the Audit Committee, so that the Committee can begin its work of selecting a CPA firm to conduct the audit. The Committee will need to develop a Request for Proposals (RFP) from CPA firms who perform audits of nonprofit organizations, review proposals submitted in response to the RFP, and make a recommendation to the Board about which CPA firm to select. Once the auditor is on board, the Committee will be responsible for conferring with the auditor as needed during the audit process and reviewing the audited financial statements.

I recommend that the Board approve the attached resolution appointing Vice President John McGlothlin and Board Member Patricia Bohm to serve on the Audit Committee.

Attachment:

1. Resolution Appointing Audit Committee Members

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
APPOINTING AUDIT COMMITTEE MEMBERS**

WHEREAS, Article XIII, Section 4, of the Bylaws calls for the retention of an independent auditor to conduct an annual audit of the San Bruno Community Foundation's financial statements and records; and

WHEREAS, Article VII, Section 5, of the Bylaws establishes an Audit Committee consisting of at least two directors to assist the Board in selecting an independent auditor, negotiate the auditor's compensation, confer with the auditor regarding the Foundation's financial affairs, and review and accept or reject the annual audit.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby appoints Vice President John McGlothlin and Board Member Patricia Bohm as members of the Audit Committee.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

Memorandum

DATE: March 16, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Approval of Fiscal Policies and Procedures

Background

At the February 19 Board meeting, the Board of Directors passed a series of finance-related resolutions that serve as an important first step in creating a strong financial management system for the San Bruno Community Foundation. These resolutions designated authorized signatories on Foundation bank accounts, established a check signing policy, authorized the opening of bank accounts at Wells Fargo Bank, established expenditure and contract authority for the Executive Director, and authorized the Executive Director to apply for a Foundation business credit card. At the same meeting, the Board also called for the creation of an ad hoc committee to develop meaningful fiscal policies and procedures as the next necessary step in establishing the Foundation's internal financial controls and ensuring compliance with applicable regulatory standards. Treasurer Ben Cohn, Vice President John McGlothlin, and Board Member Patricia Bohm were appointed to serve on the Committee.

The Committee members, Accounting Consultant Frank Bittner, and I met on March 1, 2015. We used a nonprofit fiscal policies and procedures template and guide from CompassPoint Nonprofit Services as the starting point for our deliberations. Prior to the meeting, Mr. Bittner took an initial pass through the template and edited it, taking into consideration our staff configuration and operations. During the meeting, we discussed each section of the edited template and considered the most appropriate policies and procedures for the Foundation.

After the meeting, Mr. Bittner and I revised the document to reflect the decisions the Committee made at the March 1 meeting. The group went through several rounds of emailing drafts back and forth and commenting on the changes made. The Committee now presents the current draft of the Fiscal Policies and Procedures to the Board for approval.

Overview of Fiscal Policies and Procedures

Consistent with nonprofit financial management best practices and California State ethics standards for local agencies, the Fiscal Policies and Procedures are designed to:

SAN BRUNO

Community Foundation

Memorandum

- Protect the Foundation's assets;
- Ensure the maintenance of accurate records of the Foundation's financial activities;
- Provide a framework for the Foundation's financial decision-making;
- Establish operating standards and behavioral expectations;
- Serve as a training resource for staff; and
- Ensure compliance with federal, state, and local legal and reporting requirements.

The document is organized into six sections, representing the significant components of a financial management system: Accounting Procedures, Internal Controls, Financial Planning & Reporting, Cash Receipts, Expense/Accounts Payable, and Asset Management.

The first section, "Accounting Procedures," outlines the Foundation's basic accounting procedures, in accordance with Generally Accepted Accounting Principles (GAAP).

The second section, "Internal Controls," outlines specific safeguards, known as internal controls, to ensure that financial transactions are properly authorized, appropriated, executed and recorded and to prevent deliberate or misguided use of funds for unauthorized purposes. One challenge for the Foundation in creating the internal controls is the small size of the Foundation staff. We segregated duties to the extent possible with one staff person and an accounting consultant handling the bulk of the accounting duties, and we understand that the division of duties is not as robust as it would be in an organization with a larger accounting department.

In "Financial Planning & Reporting," the document describes the process for budget development, the monthly reports the Accounting Consultant will prepare, and the process for conducting the annual audit and preparing tax returns for exempt organizations.

The fourth section, "Cash Receipts," outlines the process for logging in receipts and making deposits.

"Expense/Accounts Payable" is the most extensive section, setting forth the policies and procedures for handling payroll, purchases, contracts, invoice processing, payments by check, credit card transactions, and travel and expense reimbursements. The Committee carefully scrutinized the provisions for travel and expense reimbursements to ensure that they are consistent with the ethics standards for local officials set forth in California's AB 1234.

The final section, "Asset Management," outlines the guidelines for managing operating cash and investments and for capitalizing capital equipment. We declined at this time to

SAN BRUNO

Community Foundation

Memorandum

include any provision for an operating reserve – that is, an unrestricted fund balance or “rainy day savings account” set aside for unexpected cash flow shortages, expense, or losses – because cash flow is a not a significant concern given the large cash transfer we expect to receive from the City’s custodial fund later this year. However, once the Foundation receives the funds and determines its program strategy, it may make sense to add provisions for an operating reserve.

Throughout the document, the Committee sought to keep the policies and procedures concise and to avoid making them unnecessarily bureaucratic. The Committee views the Fiscal Policies and Procedures document as a living document that will evolve as the Foundation evolves. Today’s document reflects the needs of our financial management system at this beginning stage of operations. As the Foundation’s activities and staff expand, it will be necessary to review the Policies and Procedures and update them as appropriate.

Recommendation

I recommend that the Board adopt the attached Resolution approving the Fiscal Policies and Procedures.

In closing, I would like to thank Mr. Cohn, Mr. McGlothlin, Ms. Bohm, and Mr. Bittner for their time and assistance in preparing the Fiscal Policies and Procedures under consideration.

Attachments:

1. Resolution Adopting Fiscal Policies and Procedures
2. Fiscal Policies and Procedures

RESOLUTION NO. 2015 - ____

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
ADOPTING FISCAL POLICIES AND PROCEDURES**

WHEREAS, on February 19, 2015, the San Bruno Community Foundation Board of Directors approved an ad hoc committee charged with developing fiscal policies and procedures;

WHEREAS, maintaining meaningful and well-considered policies and procedures is a critical component of a strong financial management system, establishing an organization's internal controls and ensuring compliance with regulatory standards; and

WHEREAS, documenting the Foundation's fiscal policies also helps ensure that its financial data is an accurate and reliable basis for organizational decision making.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors adopts the San Bruno Community Foundation Fiscal Policies and Procedures attached as Exhibit A.

Dated: March 19, 2015

ATTEST:

Emily Roberts, Secretary

I, Emily Roberts, Secretary, do hereby certify that the foregoing Resolution No. 2015-__ was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 19th day of March, 2015, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

Exhibit A



Fiscal Policies & Procedures

Approved by the Board of Directors, _____, 2015

Table of Contents

I. Accounting Procedures.....	1
A. Basis of Accounting	1
B. Journal Entries.....	1
C. Bank Reconciliations	1
D. Monthly Close.....	1
E. Recordkeeping	2
II. Internal Controls	2
A. Lines of Authority.....	2
B. Conflict of Interest.....	2
C. Segregation of Duties.....	2
D. Physical Security.....	2
III. Financial Planning & Reporting.....	3
A. Budgeting Process	3
B. Internal Financial Reports	3
C. Audit	3
D. Tax Compliance (Exempt Organization Returns)	4
IV. Cash Receipts	4
A. Deposits.....	4
V. Expense & Accounts Payable	4
A. Payroll.....	4
1. Time Sheet Preparation & Approval	4
2. Payroll Additions, Deletions, and Changes	5
3. Pay Upon Termination.....	5
B. Purchases & Procurement	5
C. Independent Contractors.....	5
D. Invoice Approval & Processing	5
E. Cash Disbursements	6
F. Credit Cards.....	6
G. Employee Travel & Expense Reimbursements	6
VI. Asset Management	7
A. Cash Management and Investments.....	7
B. Capital Equipment	7

I. Accounting Procedures

This section covers basic accounting procedures for the Foundation. The accounting procedures used by the Foundation shall conform to Generally Accepted Accounting Principles (GAAP) to ensure accuracy of information and compliance with external standards. Per the Bylaws, the Foundation's fiscal year begins on July 1 and ends on June 30.

A. Basis of Accounting

Policy: The Foundation uses the accrual basis of accounting. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

Procedures:

- Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books are closed no later than the 15th day after the close of the month. Invoices received after closing the books will be counted as a current-month expense.
- At the close of the fiscal year, this rule is not enforced. All expenses that should be accrued into the prior fiscal year are so accrued, in order to ensure that year-end financial statements reflect all expenses incurred during the fiscal year. Year-end books are closed no later than 45 days after the end of the fiscal year.
- Revenue is always recorded in the month in which it was earned or pledged.

B. Journal Entries

Policy: Journal entries to record payroll expenses, cash receipts, interest earned, investment gains or losses, prepaid expenses, depreciation, other accruals and adjustments will be posted to the General Ledger on a monthly basis. Vacation liability can be recorded and adjusted annually at the end of the fiscal year.

Procedure:

- Journal entries for a month will be posted prior to monthly closing, by the 15th day after the close of the month.

C. Bank Reconciliations

Policy: All bank statements will be opened and reviewed in a timely manner. Bank reconciliation and approval will occur within 30 days of the close of the month.

Procedures:

- All bank statements and cancelled checks will be opened, reviewed and initialed by the Executive Director upon receipt.
- Once reviewed, bank statements are submitted to the Accounting Consultant for reconciliation.
- The Executive Director will review and approve reconciliation reports by signing and dating.

D. Monthly Close

Policy: Books will be closed monthly by the 15th day following the end of each month. At year end the books will be closed by the 45th day (August 15) following the end of the fiscal year.

Procedures:

- Cash receipts, payroll expenses, prepaid insurance, depreciation, interest earned and investment gains or losses will be recorded on a monthly basis by the Accounting Consultant.
- Bank and investment accounts will be reconciled to General Ledger prior to monthly closing.

E. Recordkeeping

Policy: Financial documents and records will be retained consistent with Foundation's document retention policy.

Procedures:

- Accounts payable, cash receipts, payroll documents, bank statements, and all other financial records will be maintained at the Foundation office.
- The Accounting Consultant will maintain a copy of invoices paid throughout the fiscal year.

II. Internal Controls

The Foundation employs several safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

A. Lines of Authority

Policy: The Board of Directors will create, maintain, and update fiscal policies and will approve a budget annually. Significant budget variances will also be approved by the Board of Directors.

Procedures:

- The annual budget will be prepared for the subsequent year by the Executive Director and presented to the Board of Directors for approval. After Board approval, the budget must also be submitted to the San Bruno City Council for approval.
- The Audit Committee will review internal controls with the Executive Director, Accounting Consultant, and CPAs as necessary.

B. Conflict of Interest

Policy: In accordance with the Conflict of Interest Policy, all employees and members of the Board of Directors are expected to use good judgment, adhere to high ethical standards, and act in such a manner as to avoid any actual or potential conflict of interest.

Procedures:

- The Foundation will monitor compliance with the Conflict of Interest Policy through the use of annual conflicts questionnaires completed by all Board of Directors members and the Executive Director.

C. Segregation of Duties

Policy: The Foundation's financial duties are distributed, to the extent possible, among multiple people to help ensure protection from fraud and error. The distribution of duties aims for maximum protection of the Foundation's assets while also considering efficiency of operations. When, due to the small size of the Foundation staff, the Foundation is unable to achieve sufficient segregation of duties, additional oversight from the Board and/or the City of San Bruno staff may be implemented,

Procedures:

- The Accounting Consultant will not be an authorized agent or signer on any SBCF accounts.
- Only invoices and other payment vouchers approved by the Executive Director will be processed for payment.

D. Physical Security

Policy: The Foundation maintains physical security of its assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate, and other valuable property.

Procedures:

- Blank checks will be secured by the Accounting Consultant.
- The credit card will be secured by the Executive Director.

III. Financial Planning & Reporting

The Foundation's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, "Financial Statements of Not-For-Profit Foundations." Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation are classified as unrestricted, temporarily restricted, and permanently restricted.

A. Budgeting Process

Policy: The Foundation's annual budget is prepared and approved annually for all departments. The budget is prepared by the Executive Director in conjunction with the Board of Directors. The budget is to be approved by the Board of Directors prior to the start of each fiscal year. The budget must be presented to the San Bruno City Council prior to the beginning of the new fiscal year for approval as required by Foundation's Bylaws. The budget is revised during the year only if approved by the Board of Directors.

Procedures:

- The Executive Director will work with the Accounting Consultant to ensure that the annual budget is an accurate reflection of programmatic and infrastructure goals for the coming year.
- The Executive Director will ensure that the budget is developed using the Foundation's standard revenue recognition and cost allocation procedures.
- The Executive Director will present a draft budget to the Board by its April meeting.
- The Board may approve the budget as presented in April or table final approval until its May meeting.
- A Board approved budget must be presented to the San Bruno City Council for its approval in May.

B. Internal Financial Reports

Policy: The Foundation prepares regular financial reports on a monthly basis. All reports are finalized no later than 30 days after the close of the prior month.

Procedures:

- The Accounting Consultant is responsible for producing the following year-to-date reports within 30 days of the end of each month: Statement of Financial Position (also known as Balance Sheet) and Budget v. Actual Statement of Activities (also known as Income Statement or Profit & Loss Statement).
- The Executive Director and Treasurer review financial reports each month, and the Treasurer presents reports to the full Board of Directors on a monthly basis.
- On a monthly basis the Accounting Consultant prepares a narrative report that summarizes the Foundation's current financial position and includes explanations for budget variance.

C. Audit

Policy: The Foundation will have its financial statements audited on an annual basis by an independent CPA. A new CPA will be contemplated and RFPs issued for audit services at least every five years.

Procedures:

- The Board's Audit Committee will be responsible for selecting the CPA, meeting with the CPA, and reporting to the full Board regarding any audit issues identified.
- The Executive Director will oversee the audit process and ensure that audited financial statements are published not later than 90 days (September 30) after the end of the fiscal year.

D. Tax Compliance (Exempt Organization Returns)

Policy: IRS 990 and CA 199 forms will be filed by November 15 each year.

Procedures:

- The CPA prepares the forms using audited financial information. The Accounting Consultant and Executive Director review the first draft and request edits and corrections by the CPA.
- Prior to the submission deadline, the final draft of the forms is presented to the full Board, which authorizes the Executive Director to sign.

IV. Cash Receipts

Policy: The Executive Director or designee will log in checks received on a cash receipts log and secure checks and log.

Procedures:

- Checks will be immediately endorsed for deposit only.
- Checks will be logged on a daily basis. The log will include date received, payer name, and amount of check.

A. Deposits

Policy: Deposits will be made by the Executive Director or designee.

Procedures:

- Deposits will be made immediately when \$10,000 or more has been logged. Deposits of any amounts will be made by the last day of each month.
- The deposit slip amount must equal the total on the cash receipts log. Copies of all checks and any other documents that were received with checks will be attached to a copy of the deposit slip and the original log. This deposit package will be given to the Accounting Consultant for recording to the General Ledger and be maintained in the Cash Receipts file.
- Receipt of currency should be discouraged and deposited as soon as reasonably possible.

V. Expense & Accounts Payable

A. Payroll

Policy: Payroll will be processed on a semi-monthly basis with paydays on the 15th and last day of each month.

Procedures:

- A separate, dedicated bank account will be maintained for the purpose of processing payroll transactions only.
- The Accounting Consultant will process payroll at least two business days prior to each pay day. The payroll register and paychecks/paystubs will be delivered to the Executive Director, who will open the package and distribute paychecks/paystubs to employees.
- The payroll register will be provided to the Accounting Consultant for recording payroll expenses and liabilities.

1. Time Sheet Preparation & Approval

Policy: Time Sheets, including time in and time out, documenting daily hours worked will be required for all non-exempt employees. The Executive Director will maintain an Attendance Log to track all employees' sick and vacation time accruals, usage, and balance.

Procedures:

- The Executive Director will provide the Attendance Log to the Accounting Consultant at least three days prior to each payday. The Accounting Consultant will make entries in the payroll system so that all paid time off balances are maintained within the payroll system and will be shown on employees' paystubs.

2. Payroll Additions, Deletions, and Changes

Policy: New employee additions, terminations, and pay rate changes will only be made based on authorization of Executive Director or, when related to Executive Director, based on authorization of Board President.

Procedures:

- All new employee additions, terminations, and pay rate changes will be submitted to the Accounting Consultant in writing at least 3 days prior to payday or last day of work.

3. Pay Upon Termination

Policy: Final payment of wages and vacation balance will be made available to the employee on his/her last day of work.

Procedures:

- If employee terminates without giving advance notice, payment will be made within 72 hours of termination.

B. Purchases & Procurement

Policy: The Executive Director is authorized to approve expenditures not in excess of \$25,000 per transaction. Any expenditure in excess of \$25,000 per transaction must be approved by the Board of Directors.

Procedures:

- The reasonable person standard will apply in purchase and procurement decisions. Multiple bids should be solicited when practical and when sufficient competition warrants.

C. Independent Contractors

Policy: Any contract with a total value in excess of \$25,000 must be approved by the Board of Directors. The President, Treasurer, or Executive Director may enter into contracts not to exceed \$25,000 on behalf of the Foundation.

Procedures:

- With Board approval as needed, the Executive Director will execute contracts with the contractor. The contract will include a Description of Services (Exhibit A) and Compensation (Exhibit B).
- Contractors will complete and submit an IRS W-9 and must submit invoices for services which include a description of services provided.

D. Invoice Approval & Processing

Policy: All invoices must be approved by the Executive Director. Approved invoices will be paid within 30 days of receipt.

Procedures:

- Invoices and bills will be opened and reviewed by the Executive Director or designee.

- Invoices are approved by the Executive Director and submitted to the Accounting Consultant for payment.
- Copies of all invoices paid will be filed by the Accounting Consultant.

E. Cash Disbursements

Policy: Any single check or other transfer of funds in excess of \$2,500 requires the signature of two of the authorized signatories (Executive Director, Treasurer, and President). Invoices, bills, or expense reimbursement claims may not be split in order to evade the two-signature requirement. No authorized signatory may sign checks payable to him/herself.

Procedures:

- Checks will be prepared by the Accounting Consultant, who will deliver them to the Executive Director.
- The Executive Director will sign checks after verifying the payment amount and obtain second signature as necessary. One of the check stubs will be retained and attached to the invoice as proof of payment. Checks will be distributed by Executive Director, and the invoice and check stub will be maintained in the vendor files.

F. Credit Cards

Policy: A business credit card will be obtained for and secured by the Executive Director. Charges not exceeding \$2,500 may be made without secondary approval. For transactions exceeding \$2,500 and within the Executive Director's expenditure and contract authority, written approval (including email) from either the Treasurer or President are required prior to the purchase.

Procedures:

- The business credit card will be used for SBCF business purposes only.
- Documentation of purchases made will be attached to the monthly statement when submitted to the Accounting Consultant for payment.

G. Travel & Expense Reimbursements

Policy: The Foundation will reimburse employees for their reasonable out-of-pocket business travel- and other business-related expenses. The Foundation may also reimburse Board members and other volunteers for their reasonable out-of-pocket travel and Foundation-related expenses. The Foundation will not cover reimbursement for travel to/from meetings and events in San Bruno.

The Foundation's standard travel and expense report will be used for all reimbursements. Mileage will be reimbursed at the business rate published annually by the IRS.

Foundation travelers are urged to minimize travel costs by, for example, booking airline tickets in advance, flying in economy class only, and using the most economical mode of transportation (for example, airport bus rather than taxi or car rental). However, in the application of this general rule, extenuating circumstances such as the best economic use of the traveler's time should be taken into consideration.

Reimbursements for alcoholic beverages or any moving vehicle or parking citations are prohibited.

Procedures:

- Employees, Board members, and other volunteers must obtain Executive Director approval prior to incurring out-of-pocket expenses for which reimbursement will be sought. The Executive Director must obtain prior approval by the Board President for reimbursable expenses exceeding \$500.
- Travel and expense reports require Executive Director approval and signature. Executive Director travel and expense reports require Board President approval and signature.
- Original receipts must be attached to travel and expense reports.

- Accounting Consultant will verify expense reimbursements.
- For employees, reimbursements will be processed through the Accounts Payable system, but a “dummy” check will be printed. The amount of reimbursement will then be added to the next payroll as a non-taxable payment.
- Travel and expense reports must be submitted no later than 60 days after the expense was incurred.

VI. Asset Management

A. Cash Management and Investments

Policy: Operating cash should be maintained within FDIC limit amounts. Investments will be made consistent with the Investment Policy. Bank accounts for payroll, general checking, and savings will be maintained. The President, Treasurer, and Executive Director are the authorized signatories on all accounts.

Procedures:

- Total balance for operating demand accounts at a single bank should not exceed \$250,000, unless otherwise approved by the Board.
- Wire transfers requested by the Executive Director from investment account(s) to operating account(s) in excess of \$2,500 require advance written (including email) approval from either the Treasurer or the President.

B. Capital Equipment

Policy: Equipment, furnishings, leasehold improvements and real property will be capitalized when the item has a useful life greater than one year and initial cost greater than \$5,000.

Procedures:

- Items capitalized will be depreciated on a straight line basis over their useful life. Land is not subject to depreciation.
- Useful life for computer equipment will be three years, furniture and other equipment will be five years, leasehold improvements will match lease term, and buildings will be 30 years.

SAN BRUNO

Community Foundation

Memorandum

DATE: March 16, 2015

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Community Engagement Planning Process

As I outlined at the February 19, 2015, San Bruno Community Foundation Board meeting, I envision a community engagement campaign as the first step in our strategic planning process. Such a campaign would serve multiple functions, including:

- Involve the community in the planning process
- Educate the community about the Foundation, its planning process, and its activities
- Identify community needs, challenges San Bruno faces, and ideas for how the Foundation could address those needs and challenges
- Identify community leaders and other assets

As part of this effort, we will hold a series of community meetings of different shapes and sizes to attract a diverse cross-section of the San Bruno community. It will be important to attempt to hear voices from all parts of the community, not just the known leaders of community organizations and those who regularly speak at City Council and other public forums. Constituent groups we want to reach include community groups, sports organizations, schools, faith groups, ethnic groups, neighborhood groups, small business owners, larger corporations with a presence in San Bruno, parents with young children, and seniors. We will need to carefully craft the questions we ask to maximize the usefulness of the responses we receive. An online survey could greatly complement the input we receive from meetings and other live forums. Ideally, these outreach efforts would take place in the late spring, perhaps starting in late April and concluding in June.

Given the small size of our staff and Board, I believe that we would be best served by partnering with a consulting firm or freelance consultant specializing in community engagement projects. Such a partner would help us design our outreach strategy, devise the questions we ask, provide guidance on how we structure our meetings, advise on how to most effectively engage harder-to-reach pockets of the community, facilitate the public meetings, create and implement an online survey, and document the results of these efforts.

SAN BRUNO

Community Foundation

Memorandum

To this end, I have solicited the assistance of President Nancy Kraus, Secretary Emily Roberts, and Board Member Frank Hedley. Through referrals from contacts in the nonprofit and philanthropic communities, President Kraus and I have compiled a list of consultants and firms that specialize in community engagement work. President Kraus and I have met with or plan to meet, in person or by phone, with a half dozen possibilities. These options have different strengths and specialties; some are skilled in meeting structure and facilitation, while others specialize in community organizing. We have received a proposal from one firm thus far and are awaiting proposals from at least one more. I have asked Ms. Roberts and Mr. Hedley to assist in the vetting of the proposals.

At the February 19 Board meeting, we plan to review with the Board our vision for a community engagement campaign and how it fits into our broader strategic planning process, the results of our research thus far, and our thoughts on next steps. We look forward to receiving feedback from the Board, especially as we work within a tight timeframe to launch our efforts this spring.